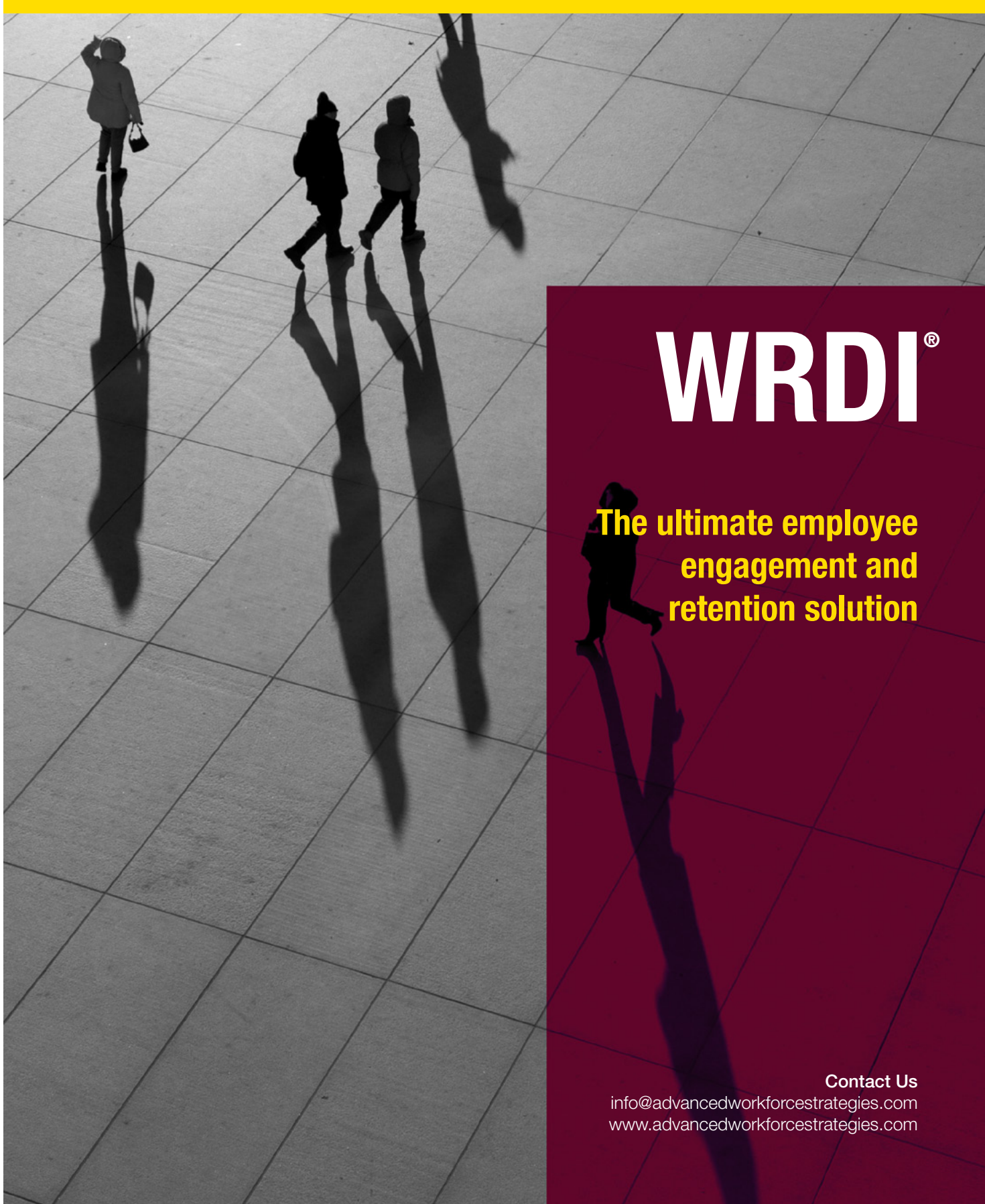




Advanced Workforce
Strategies



WRDI[®]

**The ultimate employee
engagement and
retention solution**

Contact Us

info@advancedworkforcestrategies.com
www.advancedworkforcestrategies.com

Retention represents the highest ROI of any HR initiative!

(US metrics guru, John Sullivan)

The cost of turnover can be up to 2.5 times the salary of the job

(Cascio, 1995)

The Aftermath of the GFC: Are you Sitting on a Ticking Time Bomb?

Engaging and retaining the workforce represents a key challenge for many organizations in the aftermath of the GFC. Research shows that the adverse second order impacts of previous downsizing may result in subsequent increased turnover. Organizations now require better workforce measures to manage workforce risk more effectively. The areas of employee engagement and retention are poorly understood, with superficial and ad hoc approaches often adopted.

The Workplace Relationship Development Indicator (WRDI®) represents the “next generation” in workforce diagnostic tools. It provides a total employee engagement and retention solution, underpinned by a relationship paradigm and model, with a defined methodology. The WRDI® goes beyond the concept of an Engagement Index, delivering much, much more.

Note: The concept of an Engagement Index whilst intuitively appealing, is psychometrically flawed, as engagement and retention cannot be reduced to a single number.

What is the WRDI® and How is it Relevant?

The WRDI® is a 90 item online standardized survey tool which measures and diagnoses key drivers of both performance and retention, as well as quantifying retention risk. The WRDI®:

- ▶ Has been adapted from UK researcher and psychological contract expert, David Guest’s (1998) model of the Psychological Contract (or employer / employee relationship);
- ▶ Includes both the tangible and intangible items which comprise the psychological contract or the “deal” or the
- ▶ Employment Value Proposition (EVP);
- ▶ Has been developed in conjunction with a number of prominent Australian companies;
- ▶ Incorporates rigorous psychometric properties, with high diagnostic and predictive capability; and
- ▶ Provides business focused HR metrics that directly impact on the “bottom line”.

The WRDI® constitutes a vital tool for structuring, measuring, diagnosing and aligning differentiated employment offers (i.e., “deals”) and relationships with various workforce segments (e.g., top management, middle management/professionals, front line employees, etc.).

It constitutes a vital tool for structuring, measuring, diagnosing and aligning differentiated employment offers (i.e., “deals”) and relationships with various workforce segments (e.g., top management, middle management / professionals, front line employees, etc.).

About the Psychological Contract (PC)

The Psychological Contract constitutes the essence of the employer/employee relationship. The WRDI® diagnostic survey, which is completed by the employee, incorporates:

- The health of the relationship with measures of the fulfilment of expectations (i.e., delivery of the “deal”), trust at both a top management and local management level and fairness; and
- The consequences of the relationship with measures of commitment, satisfaction and intention to stay (which is the main predictor of turnover).

Relationship health factors predict in part the consequences, which are directly related to performance and retention.



“The selection of scales offers a conceptual advancement over other models of engagement and boasts several features that are quite unique. It offers a truly strategic approach to addressing employment relationship challenges.”

(Ian Kendall, test “guru” and author of Kendall’s Australian Directory)

What is the Research Basis Underpinning the Key WRDI® Measures?

- ▶ Research findings confirm that Affective Commitment and Job Satisfaction are the 2 key predictors of Intention to Stay, which is the main predictor of turnover (Irvine & Evans, 1995; Tett & Meyer, 1993)
- ▶ In a major UK landmark study involving 67 organisations, Affective / Organisational Commitment and Job Satisfaction accounted for 23% variance in productivity between companies (Patterson, West, Latham & Nickell, 1997).

Why the WRDI® Offers a Comprehensive Engagement and Retention Solution

The WRDI® questionnaire items probe what individuals think, feel, and their likely intentions concerning key aspects of their employment relationship with the organisation. It incorporates a number of unique features over and above other engagement and retention survey tools available in the market, including the following:

- ▶ Can be offered within a broader strategic workforce management framework that includes a workforce segmentation skills' based model, and a differentiated approach to employee engagement and retention for each segment;
- ▶ Provides the most comprehensive measure of employee engagement (whatever definition of employee engagement is adopted);
- ▶ Differentiates retention from turnover (i.e., the organisation may be retaining the “wrong” people - low engagement but high intention to stay);
- ▶ Provides compelling risk management data, including the quantification of employee retention risk and estimated turnover costs, and the quantification of alignment / misalignment;

- ▶ Measures employees’ expectations (i.e., the “deal” or employment proposition), and the delivery of the those expectation (i.e., the delivery of the “deal”);
- ▶ Provides proxy measures of person—organisational “fit” (i.e., affective commitment), and person—job “fit” (i.e., job satisfaction);
- ▶ Pin-points relationship deficits or “hot spots”, differentiating local from organisational wide issues, with clinical reporting by workforce segment (i.e., business unit and/or by job level), and demographic grouping (i.e., age, gender, time in job);
- ▶ Optional individual reporting output, which provides a “bottom up” basis for addressing individual (particularly key talent) engagement, retention and career management/development issues.

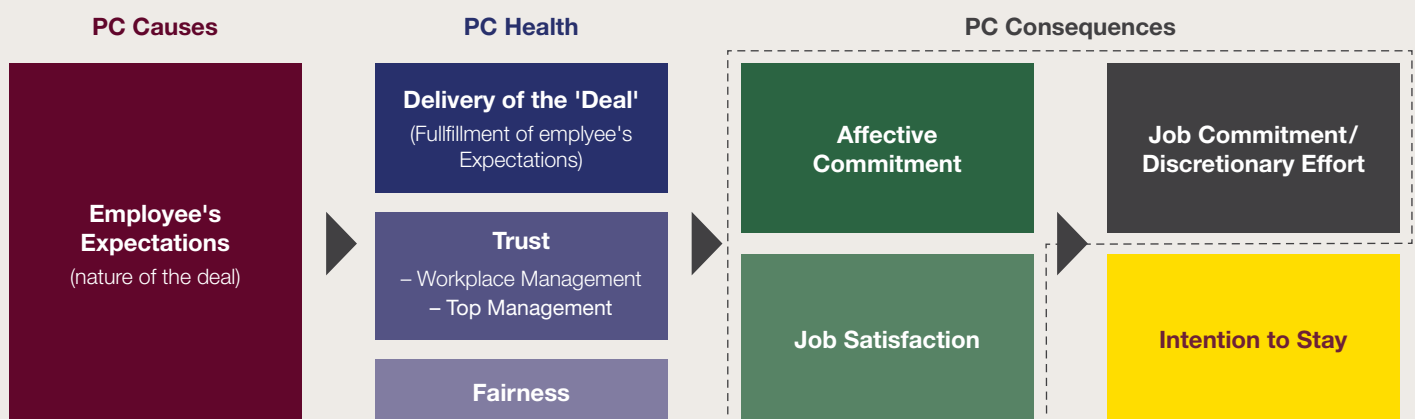
What are the Applications of the WRDI®?

The WRDI® offers a “silver bullet” people management solution with multi-purpose applications over the employment life cycle that include:

- ▶ Retention, including key talent and succession planning;
- ▶ Workforce engagement / alignment, both at an aggregate as well as at an individual level;
- ▶ Leadership effectiveness, with measures linking directly to employee engagement and retention;
- ▶ Career management / development (through individual reports);
- ▶ New recruit adaptation and on-boarding;
- ▶ Recruitment and induction auditing (i.e., whether the Employment Value Proposition / “deal” is matched by the reality of the job / organisation); and
- ▶ Exit interviews, measuring and diagnosing disengagement.

The WRDI® Model of the Psychological Contract (PC)

Key: Predict Performance



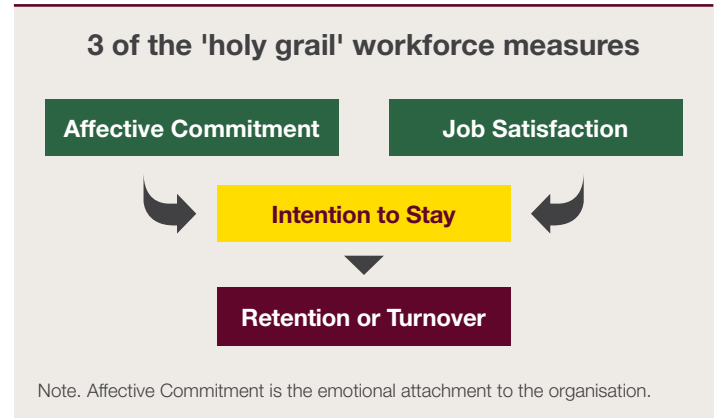
One Example of WRDI® Reporting Output: Retention Risk and Alignment

A full analysis and diagnosis of what lies behind these findings is available in the WRDI® Organisational Development (OD) Report. This OD Report includes targeted interventions to address risk factors.

Optional individual WRDI® Reports, a unique feature of the tool, are also available which serve as a basis for a job/career discussion, and for individual retention issues to be addressed.

Individual retention risk can then be categorised according to the 3 P's why people leave organisations:

- ▶ Push (dysfunctional organisation factors, poor selection/recruitment)
- ▶ Pull (perceived more attractive job or organisation)
- ▶ Personal reasons (career change, family, health, etc.)



This Reporting Output Includes:

- numbers of employees according to retention risk category (Intention to Stay);
- numbers of employees according to alignment category (i.e., Job Satisfaction and Affective Commitment); and
- an estimate of contingent employee turnover costs in \$ terms (i.e., the predicted cost of turnover in the ensuing 12 months if nothing is done to address this risk).

These people are likely to be your highest performers.

These people are possible candidates for re-deployment or job redesign.

These people are likely to be your lowest performers – an indication that you may be retaining the wrong.



TALENT RETENTION RISK

Estimated Contingent Employee Turnover Cost is \$ 576,000

| Employee # | Norm | Actual | Employee Retention Risk |
|------------|------|--------|---------------------------------------|
| 27 | 70% | 65% | Indicating intention of "staying" |
| 9 | 15% | 21% | Indicating "moderate risk of leaving" |
| 6 | 15% | 14% | Indicating "high risk of leaving" |

TALENT ALIGNMENT

| Employee # | Norm | Actual | Employee Alignment |
|------------|------|--------|---|
| 21 | 60% | 50% | Committed with Organisation & Satisfied with Job |
| 6 | 15% | 14% | Committed with Organisation - Dissatisfied with Job |
| 6 | 10% | 14% | Uncommitted with Organisation - Satisfied with Job |
| 9 | 15% | 22% | Uncommitted with Organisation - Dissatisfied with Job |